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Attorney for Plaintiffs

IN THE UNITED STATES DISTRICT COURT
FOR THE
NORTHERN MARIANA ISLANDS

LI YING HUA, LI ZHENG ZHE and XU JING JI,) CASE NO. CV 05-0019

Plaintiffs,)

vs.)

DECLARATION OF
MARK B. HANSON

JUNG JIN CORPORATION, a CNMI corporation,)
ASIA ENTERPRISES, INC., a CNMI corporation,)
PARK HWA SUN and KIM HANG KWON,)

Defendants.)

Date: Wednesday, January 17, 2007
Time: 9:00 a.m.
Judge: Hon. Alex R. Munson, Chief Judge

I, Mark B. Hanson, hereby declare as follows:

1. I am competent to testify, and if called to testify, I would do so in accord herewith.
2. I am the attorney for Plaintiffs in the above-referenced case.
3. While this case was pending, and after initial discovery was conducted, on December 11, 2005, an advertisement appeared in the *Saipan Times* Korean language weekly newspaper wherein the Defendants advertised for sale all of their assets in the Commonwealth. See a copy of that Advertisement with a cover letter and handwritten translations attached hereto Exhibit "A."
4. A translation of the document showed that the sales were "Urgent!" and "because of some matter." *Id.*
5. On December 22, 2005, shortly after the advertisement was brought to my attention,

1 I wrote Defendants' attorney Stephen J. Nutting indicating that Plaintiffs believed that Defendants
2 were planning on transferring all of their assets to avoid subjecting them to the claims of Plaintiffs
3 to satisfy the judgment Plaintiffs were going to obtain against Defendants. *See* Exhibit A.

4 6. Shortly thereafter, on January 1, 2006, Defendants effected the transfer of the bulk of
5 their operating businesses (a laundrymat, a poker parlor and a market) to KSK Corp. as satisfaction
6 for alleged prior loans from Kim Ki Sung to Defendants.

7 7. On about January 12, 2006, Defendants granted a mortgage in favor of Kim Pil Sun
8 Kitami effecting liens on Defendants' remaining property of value in the Commonwealth: two new
9 vehicles and Defendants' long-term leasehold interest in Lot 056 H 14, a 3,627 square meter parcel
10 of improved property located in Susupe, Saipan, Commonwealth of the Northern Mariana Islands
11 (the "Susupe Property").

12 8. Defendants continued to occupy the Susupe Property and maintained possession of
13 the vehicles mortgaged by Kitami.

14 9. After transferring their interests in various assets and businesses on January 1, 2006 and
15 January 12, 2006, Defendants were left with very few unencumbered assets.

16 10. Asia closed down all operating businesses in about April or May 2005 and Kim "gave
17 up the company."

18 11. Jung Jin sold most of its operating businesses to KSK Corp. in January 2006. Jung Jin
19 had about 3 poker parlors remaining in operation in early-2006, none of which are now in existence.
20 In his January 2006 deposition, Kim discussed Park's intention to close more poker places in about
21 March 2006.

22 12. All of Asia's poker licenses were expired by December 2005. When the last of Jung
23 Jin's poker machine licenses expired in 2006, they were not renewed.

24 13. As of January 2006, Kim claims he had no money.

25 14. In November 2006, I caused subpoenas to be served on all of the commercial banks
26
27

1 in the Commonwealth requesting, *inter alia*, bank statements for any accounts held at the bank
2 in the names of any of the Defendants from January 2006 through the date of the subpoena.

3 15. Only Bank of Hawaii responded that any of the Defendants held accounts during the
4 relevant period of time. Bank of Hawaii provided bank records for one account in the name of Jung
5 Jin and one account in the name of Asia.

6 16. Defendants' bank records reflect that, as of January 31, 2006, Asia had \$314.78 in its
7 bank account at the Bank of Hawaii. Defendant Asia had no other bank accounts in the
8 Commonwealth. The balance of that account, as of October 31, 2006, was \$244.28.

9 17. Defendants' bank records reflect that, as of January 31, 2006, Jung Jin had \$3,247.51
10 in its bank account at the Bank of Hawaii. Defendant Jung Jin had no other bank accounts in the
11 Commonwealth.

12 18. On about April 7, 2006, Defendant Park issued Defendant Kim a check in the amount
13 of \$2,207.50, leaving a remaining balance in Jung Jin's account of \$66.87. The balance of that
14 account, as of October 31, 2006, was \$18.87.

15 19. Beginning on December 18, 2006 my staff and I assisted the United States Marshal
16 Service in seizing and inventorying the property of Defendants located on the Susupe Property.

17 20. After the seizure and inventory was complete, on December 22, 2006, the United
18 States Marshal filed a return of execution with an inventory of the property seized, and transferred
19 custody of the seized property to me.

20 21. The seizure and inventory of the personal property located on and about the Susupe
21 Property reveals that, notwithstanding the tools, poker machines and some household goods seized
22 by the Marshal, the only assets of Defendants of any significant value is the improved Susupe
23 Property, the two vehicles, and the business transferred to KSK Corporation.

24 22. On February 15, 2006, in response to a subpoena for documents served on Kim Pil Sun
25 Kitami, I received from Kim Pil Sun Kitami's attorney Richard W. Pierce the document attached
26
27

1 hereto as Exhibit "B," Document Number 01732.

2 23. On February 15, 2006, in response to a subpoena for documents served on Kim Pil Sun
3 Kitami, I received from Kim Pil Sun Kitami's attorney Richard W. Pierce the document attached
4 hereto as Exhibit "C," Document Number 01729.

5 24. On February 15, 2006, in response to a subpoena for documents served on Kim Pil Sun
6 Kitami, I received from Kim Pil Sun Kitami's attorney Richard W. Pierce the document attached
7 hereto as Exhibit "D," Document Number 01730.

8
9 I swear under penalty of perjury that the forgoing is true and correct to the best of my
10 knowledge and belief and that this Declaration was executed this 15th day of January, 2007 in Saipan,
11 Commonwealth of the Northern Mariana Islands.

12
13 /s/ Mark B. Hanson

14

MARK B. HANSON

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22 Attorney for Plaintiffs
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EXHIBIT A

MARK B. HANSON
ATTORNEY AT LAW

PMB 738, P.O. Box 10,000
Saipan, Mariana Islands 96950
(670) 233-8600 • (670) 233-5262 (fax)
mark@saipanlaw.com

Admitted to practice: Commonwealth of the Northern Mariana Islands
State of Colorado

December 22, 2005

Stephen J. Nutting, Esq.
WHITE & NUTTING, LLC
P.O. Box 505222
Saipan, Mariana Islands 96950

VIA FACSIMILE AND

RE: LI YING HUA, *et al.* v. JUNG JIN CORP., *et al.*
Case Number CV 05-0019 (DNMI)

Dear Steve,

For your reference, I have attached hereto a copy of the advertisement in the Sunday, December 11, 2005 edition of the Saipan Times Korean language newspaper. The handwriting is the translation of the advertisement. My clients inform me that they have observed items missing from laundry mat such as water heaters. We hope that your clients will not fraudulently dissipate all of their assets and attempt to flee the CNMI and their obligations to my clients.

I have not yet had an opportunity to review your discovery responses, including the numerous documents you provided. I will do that next week and let you know where I think we are with discovery.

Sincerely,



Mark B. Hanson

cc: client

Saipen Times

Sunday, Dec. 11, 2005

URGENT!

그리고 두 명의 민주당 의원이 새로운 장현 지도부를 형성할 것으로 예상된다. CNM은 첫 임명부 이래로 상원은 계속 공화당에 의해서 지배되었다.
 14대 국회에서 레제스 상원의원은 가장 많은 20개법안을 소개했다. 그 법안은 전체상원에

사이판타임즈 235-2006
 stimes@korea.com

For Sale at lowest price
 Because of some matter
 High class House
 Businesses
 Tile expansion
 Crew room /
 Auto repair shop
 Pool & Sauna /
 Laundry room

금매

포커기계
 세탁기 (상업용 신품)
 에어 콤 프레스
 타이어 탈착기
 월발관스장비
 車정비용 각종 장비

483-4322

POKER MACHINES
 WASHERS (new commercial)
 AIR COMPRESSOR
 TIRE CHANGING MACHINE
 AUTO REPAIR TOOLS

MR. Kim Cell Number

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FAX COVER SHEET

To: Stephen J. Nutting, Esq. 234-9537
WHITE & NUTTING, LLC

From: Mark B. Hanson, Esq.

Client/Matter: LI YING HUA, *et al.* v. JUNG JIN CORP., *et al.*
Case Number CV 05-0019 (DNMI)

FAXED

Date: December 22, 2005

DOCUMENTS	NUMBER OF PAGES*
Letter from Mark B. Hanson	1
Advertisement	1

COMMENTS:

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* NOT COUNTING COVER SHEET. IF YOU DO NOT RECEIVE ALL PAGES, PLEASE TELEPHONE MY OFFICE IMMEDIATELY AT 233-8600.

EXHIBIT B

PROMISSORY NOTE (Translation)

I, HANG KWON KIM, borrow US\$150,000.00 from PIL SUN KIM,
and put a house in Susupe as collateral on March 05, 2004.

The payment will be made on or before Oct. 01, 2005. I promise
to surrender all my right on the house and the land, if repayment
is not made on the date.

I will not create any legal remedy.

March 05, 2004

KIM, HANG KWON
(Signed)

A handwritten signature in black ink, appearing to be 'HANG KWON KIM', written over a horizontal line.

01732

EXHIBIT C

PROMISSORY NOTE (Translation)

I, HANG KWON KIM, borrow US\$100,000.00 from PIL SUN KIM,
and put a house in Susupe as collateral on Dec. 15, 2004.

The payment will be made on or before Oct. 01, 2005.

I promise to surrender all my right on the house and the land,
if repayment is not made on the date.

I will not create any legal remedy.

Dec. 15, 2004

KIM, HANG KWON
(Signed)

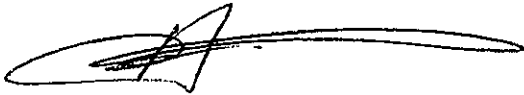
A handwritten signature in black ink, consisting of a large, stylized 'K' followed by a horizontal line.

EXHIBIT D

PROMISSORY NOTE (Translation)

I, HANG KWON KIM, borrow US\$100,000 from PIL SUN KIM, and
put a house in Susupe as collateral on March 01, 2005.

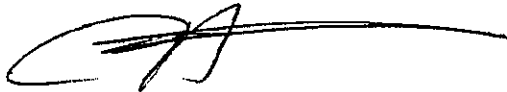
The payment will be made on or before Oct. 01, 2005.

I promise to surrender all my right on the house and the land,
if repayment is not made on the date.

I will not create any legal remedy.

March 01, 2005

KIM, HANG KWON
(Signed)

A handwritten signature in black ink, appearing to be 'HANG KWON KIM', with a long horizontal stroke extending to the right.

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